

To the Members of the California State Assembly:

I am returning Assembly Bill 2 without my signature.

The state's high risk pool was enacted in response to the failure of the health insurance market to provide coverage to individuals with pre-existing medical conditions, even if they could afford to pay higher premiums. California has subsidized this coverage for thousands of individuals since the inception of the program. Unfortunately, creating a mandate and assessing a fee based on covered lives in the individual market is not the answer.

Mandates such as this only serve to make health care more expensive for those who can least afford it. Most uninsured Californians cannot obtain coverage because they cannot afford the premiums, no matter whether they are high-risk or not. This bill would allow health insurance companies to pass the fee onto their enrollees, making it more expensive. This population is the most sensitive to price. Many must bear the entire cost of their coverage because they are self-employed or their employers do not offer coverage – a bill such as this only exacerbates their burden.

Comprehensive health care reform that guarantees issuance of coverage to all individuals, along with an individual mandate, cost-containment, prevention and shared responsibility is the only solution for our health care crisis.

I cannot support this bill because it provides a limited solution without addressing a much larger problem. Californians demand and deserve a solution to solve the broader challenge facing us all.

Sincerely,

Arnold Schwarzenegger